

RAPID TRANSIT TO PUSH NEW WORK IF MORE LEGAL FIGHTS NOT BEGUN

(Continued from page one)

for an accounting, having claimed that there is something like \$268,000 due the territory from the company—a claim which we, of course, absolutely deny. Should a suit of this sort be entered, it would prevent our going ahead with contemplated improvements.

"The Rapid Transit Company is anxious to make these improvements. We hope to see the whole thing settled now, to have an agreement reached on a sound, fair, business basis, and to go ahead with these much-needed improvements. But it is obvious that if the litigation is continued we cannot go ahead. We cannot spend money in improvements so long as legal fights make our status indefinite, or make it necessary for us to provide funds that might have to be paid out under an adverse court decision. No such decision is feared, but we would have to provide for meeting it should it come about."

Way Open to Large Stock Increase.
"Naturally the Rapid Transit Company has no criticism of the decision to make," was the comment of Attorney Whittington of Castle & Whittington, counsel for the company. "Attention might be drawn to the fact that the supreme court knocks out the argument advanced of an implied bargain between ourselves and the people for the issuance of capital stock to \$1,600,000—referring now to the agreement reached in 1913 by the company, the Merchants' Association, Mr. Ivers and those then interested in the passage of a satisfactory franchise act by the territorial legislature. The court, passing upon the questions in this suit, holds that there was no such bargain binding, and the finding by the court is that we are entitled to issue up to very nearly \$2,500,000."

We Increase Decided On.
W. R. Castle, who was present when Mr. Whittington made this comment, added:

"It should be stated, though, that there is no intention at present to issue stock to this amount. In fact, no increase may be made at all now, and if we do decide on an increase it will probably not take the total stock over \$1,600,000."

The decision, Mr. Whittington points out, thus eliminates any implication of a bargain whereby the company would restrict its stock to the \$1,600,000 figure and leaves it free for a much larger capitalization.

"All three justices concurred in the findings," concluded Whittington, "though they arrived at their opinion by somewhat different routes."

Rapid Transit directors will hold a meeting on Thursday at which the decision and its effect will be talked over.

Decision is Divided Victory.
"About 50-50, I would call it," is the way Attorney General L. M. Stainback expressed his satisfaction today over the decision of the supreme court in the Rapid Transit situation. Both he and his deputies consider the decision a partial victory for the territory.

"The supreme court has sustained our contention as to excess income, but not as to bonds," said the attorney-general. "Justice Watson concurs, agreeing with us that the company has not the right to capitalize excess income invested in property, which excess income would otherwise have been payable to the territory."

Excess Profits Rule Cited.
Stainback called attention to one important portion of the decision, in which the court holds that the actual cost of the company's property "does not include any money expended upon

property, which money would otherwise have been payable to the territory as its share of excess profits over 8 per cent in any one year, under section 17. As such money could never have reached the stockholders of the company," reads this phrase of the decision. "It cannot be said that it was expended at their cost. And if the contemporaneous construction can be said to have extended to a contrary view on this point it was so clearly wrong that it ought not to be followed."

The attorney-general added that in several places the decision "takes a rap at the company," because its executives have acquiesced for so long in the policy of capitalizing excess income.

Further Work Involved.
"The decision as concerns excess income is a victory for the territory," he stated. "The opinion passes only on the cost, and does not touch excess profits. Now we have to find out what those excess profits were, as on page 17 the opinion reads: 'There should be deducted the amount of excess profits, if any, invested in property which would otherwise have been payable to the territory.'"

Stainback added that he could not say at this time whether his office will take an appeal to the circuit court of appeals. It was doubted around the capitol today, however, whether it would be necessary for an appeal to be taken.

Governor Considers Decision.
Following a short conference held this morning between Governor Liliuokalani, Mr. Pinkham and Attorney General L. M. Stainback relative to the Rapid Transit decision of the supreme court, the Star-Bulletin submitted the following questions to the governor:

"Will you favor an appeal to the higher court in the matter of the Rapid Transit Company?"

To this Governor Pinkham replied that he is studying the decision carefully and will confer with the attorney-general before making his intentions known.

Effect on New Charter.
"Will the decision have any effect either to hasten or to delay action by you upon the proposed new charter of the company?" the governor was then asked.

"There is no new charter going to Washington right away that I know of," he answered. "I don't know that it will go at all. I will take my time as to those things." He added that he has not yet had time to make a thorough study of the opinion sufficient to make a comprehensive statement of the situation brought about by the decision.

Statements Utilities Commission.
Asked for a statement this morning relative to the Rapid Transit decision, as to whether it will affect action by the public utilities commission on the proposed new charter, Acting Chairman J. N. S. Williams said he has not studied the decision thoroughly enough to say anything for publication at this time.

Commissioner A. J. Gilmour, when seen by a Star-Bulletin reporter, said the decision would be taken up and discussed at the commission's meeting at 2 o'clock this afternoon at its rooms in the Kaukoalani building.

"The charter bill is at present in the hands of the governor," said Gilmour. "When it leaves for Washington depends on what we receive it from Governor Pinkham."

Considerable damage was caused by a two-alarm fire at the plant of the Standard Oil Co. at Willimaburg, Brooklyn.

WOMEN MEMBERS OF LEAGUE SEE BIG NAVY YARD

Copies of the San Francisco Chronicle of July 9 reaching Honolulu this week bring news that 60 members of the Auxiliary Defense League of that city inspected the Mare Island navy yard July 8. They were escorted around the navy yard by Lieut. Cmdr. R. E. Pope, Lieut. R. W. Wuest of the machinery department, Lieut. A. F. Howard of the marine corps and Chaplain J. F. Fleming. After inspecting the marine barracks, hospital and recruiting departments the visitors were entertained at the home of Commandant and Mrs. F. M. Bennett.

The "soldierettes" were in charge of Regent Mrs. F. H. Coburn of the Navy League.

Orders were received July 8 at Mare Island detaching Cmdr. Mark St. C. Ellis as commander of the marine transport Buffalo. He is to be relieved by Lieut. Cmdr. Pope Washington, who has been on duty for some time at the New York navy yard. Ellis is to be given shore duty and will be stationed at Mare Island for the next two years at least as magazine officer. Ellis plans a number of improvements at the south end of the local government establishment, which includes the installation of a powder factory.

FEVER OUTBREAK AMONG MARINES SCARES PEKING

PEKING, China, July 5.—Scarlet fever broke out among the two hundred American marines stationed in Peking as a guard at the American legation. In an effort to prevent the spread of the disease Col. Neville, commandant of the guard, ordered the men to move out of the barracks and placed them under canvas, with only two men in each tent. The tents were pitched on the recreation ground adjoining the legation compound and outside the compound wall, where all Chinese could see them plainly.

Immediately a rumor was circulated that the American legation had brought extra troops from the Philippines to protect foreigners against possible rioting which might result from the unsettled political conditions and the financial stringency brought about by the moratorium. This rumor grew and added to it was a report that the Japanese were also to bring in thousands of troops from Tsingtau and Japan for the protection of foreigners.

These reports became so insistent that the Chinese government issued a formal denial, explaining the reason for the tented colony outside the American legation compound.

Only five American marines had the scarlet fever. These were quarantined in a gun shed on the city wall adjoining the legation.

\$50,000 IS RECEIVED ON INHERITANCE TAX

SACRAMENTO, Cal.—State Comptroller John S. Chambers received an inheritance tax receipt from San Mateo county showing a payment of \$50,000 for the estate of the late William H. Hanson.

Hanson was a wealthy lumber man who died in January, 1916, a resident of Redwood City. Gifts of \$10,000 each were made to an aunt, Mrs. M. E. Hanson of Redwood City, and her three daughters. The balance of the estate was left to the widow, Elizabeth B. Hanson.

SPIRIT ACROBATIC AS OFFICER APPEARS

SAN FRANCISCO, Cal.—Twenty clients of "Harry" E. Crandall, medium, were astounded the other night when a "spirit" which had been advising them suddenly turned a backward flip-flop and disappeared through a window.

They were speedily enlightened, however, for detectives burst into the room and arrested Crandall. The detectives searched for the missing "spirit," but that person made good his escape. Mr. Crandall was the "spirit."

A German electrician says he has invented apparatus by which he can measure the ten-millionth part of a uniform system of weights and measures for all India.

RABINDRATH TAGORE'S PHILOSOPHY SHOWN IN ADDRESS MADE IN JAPAN

(The following address was given by Sir Rabindranath Tagore, who will soon be in Honolulu, to a large audience at the public hall at the Tennohji, Osaka, Japan, in the welcome reception held by the people of that city for the great poet of India.)

It has come to me as a delightful surprise to be received with such overwhelming warmth of welcome as has fallen to my lot since my arrival in your country. I had a dismal idea that poetry could have very little expectation from young nations who have to compete with others having a longer start and more hardened conscience, who have to make up for their lost time for having come late in the arena of the modern age, the age of commercial scrambling and political piracy. Surely natural selection has a vigorous contempt for all poets, who are born neither with the protective convenience of a tough skin nor with canine teeth of formidable ferocity.

The rational harps of the poets are an encumbrance in the race of life, and struggle for existence runs its course triumphantly trampling upon rhymes and rhythms under its ruthless feet.

Therefore it was a great relief to me to be treated in a manner that convinced me that your hearts still have room for the green of the earth and the blue of the sky, and your chary blossoms will still have their chance in their competition with shrill machines and brand new inventions of this age of the corrugated iron shed, and cinematograph shows.

From my younger days, my thoughts have constantly turned with Japan, and since, in later years, I have witnessed the wonderful rise to eminence in Asia of your great nation, it has been my special desire to visit Japan, where the east and the west found their meeting place and carried on their courtship far enough to give assurance of a wedding. It was my desire to know where and how Japan's past found its affinity in its present, and where lies the secret of her power which has the flexibility of a tempered steel blade which bends but does not break and whose strokes are all the more sure for being adaptable to new circumstances.

When my thought went back to Japan in early days, it was to remember those times when the Buddhist monks started from my country, crossed over the high mountains, traveled the great upland plains, and passed over the mighty rivers of China, till they reached the sea. They encountered difficulties, not only of climate and

geography, but also language and custom. Yet they went forward, and they proved the truth of their belief in living deeds. In their case, therefore, while the outward difficulties were so great, the inward path was made straight before them by the enthusiasm of their faith and the devotion to these truths of life, which they had discovered and explored. When those who had learned the message from them reached at last the shore of Japan, their ideals found a home among your people. I could not help contrasting the almost insurmountable difficulties, which these earliest pilgrims from our shores must have encountered, with the ease and comfort in which I have just been able to accomplish my journey. What must have taken many years in those early days can now be completed in less than a month. Yet this modern civilization with all its mechanical appliances for making life comfortable and progress rapid on the outside, has become itself a barrier in its turn with regard to the inner spirit of man, because it has made our life so intricate that it has lost its transparency of simplicity. Our things are more in evidence than ourselves. Our engagements are too numerous, our amusements are too frequent. The surface scum of life has become thick and muddy. All the odds and ends, vast waste materials of civilization floating about it, have created a growing barrier, not only shutting out our deeper nature but something has taken its place on the surface, where his richness is in his materials, his strength in his organization, his heroism in his ambitious undertakings, his mind in his science. Man's heart is squandering its strength in its craving for the dream drinking of sensationalism, pitifully asking for its continual dose of fresh news and fresh noise, losing its healthy taste for food in its insatiable thirst for stimulants. It is the stupendous unreality of this modern civilization, always changing its shape and shifting its course, furiously riding upon the dust storm of unmeaning restlessness, scattering about it in the wind shreds of things torn and mangled, decaying and dead, all this is making the real man invisible to himself and to others. In the day of heroic simplicity, it was easy to come near to the real man, but in the modern times it is the phantasm of the giant time itself which is everywhere and the man is lost beyond recognition and the means of communication itself is diminishing in its reality.

PHEASANTS DESTROY GROWING BEETS IN NORTHERN COLORADO

WINDSOR, Colo.—Farmers of this district have been complaining to the state game warden that the pheasants, which are protected by law, have changed their diet from grain and seeds that caused so much loss and damage last fall and this spring, to green crops, and are now destroying large patches of sugar beets.

The birds first pick off the green leaves and then dig into the crown of the beets, stopping their growth and destroying the roots. It is said that some stands of beets have been reduced at least 25 per cent by the ravages of these birds, that abound in large numbers in this section, and the farmers seek some kind of relief.

OFFICER'S DAUGHTER TRIED AS GRAFTER

LONDON, Eng.—Hilda Sundstrand, alias Mrs. Walker James, daughter of Col. Marsden E. J. Sundstrand, a retired officer, has been charged at Bow street police court with obtaining large sums of money from army officers on false representations that she could obtain them appointments, owing to her high "influence" with authorities.

Lieut. Hertford, Yeats, Evans and Zimmerman gave evidence they had paid her considerable sums to further their interests in obtaining good posts. Zimmerman, who was afraid he would be "floored" on account of his German name, had disbursed more than \$1000 to get into the Royal Flying Corps, but without success.

Mrs. Walker James' method was to ask the applicant what particular appointment he wanted, then to demand a payment of \$250 in advance for expenses, and finally ask for a big loan to meet a call on shares of an investment of a particularly promising character.

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